

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., *et al.*,

Debtors.

Chapter 11

Case No. 01-01139 (JKF)
Jointly Administered**Related Docket No. 22517****Hearing Sept. 8, 2009 at 11:00 a.m.**
Objection Deadline Sept. 1, 2009 at 4:00 p.m.

**ARROWOOD'S OBJECTIONS TO STATE OF MONTANA'S
CONFIRMATION HEARING EXHIBIT LIST [DKT. NO. 22517]**

Arrowood Indemnity Company f/k/a/ Royal Indemnity Company hereby objects to the exhibits identified by the State of Montana as its final confirmation hearing exhibits [Dkt. No. 22517].¹

State of Montana Exhibit	Arrowood Objection
The Plan	Hearsay (FRE 801, 802)
The Trust Distribution Procedures	Hearsay (FRE 801, 802)
The Montana Objection	Hearsay (FRE 801, 802), Lack of Foundation (FRE 602), Improper Opinion (FRE 701)Hearsay
The Montana Phase II Trial Brief	Hearsay (FRE 801, 802), Lack of Foundation (FRE 602), Improper Opinion (FRE 701)

¹ In the event and only in the event that Arrowood's settlement is not approved and its reservation were deemed ineffective, Arrowood fully preserves all objections stated in Royal's Preliminary Objections to Debtors' Joint Plan of Reorganization (Dk. 20450); Arrowood Indemnity Company, f/k/a Royal Indemnity Company's Objections to Debtors' Amended Joint Plan of Reorganization (Dk. 21814); Arrowood's Phase II Objections to the Non-Debtor Release and Exculpation Provisions and the Injunction Impairing its Rights of Contribution, Subrogation and Reimbursement that are Contained in the Amended Joint Plan of Reorganization (Dk. 21815); Arrowood's Phase I Trial Brief Objecting to the Amended Joint Plan's Non-Debtor Release and Exculpation Provisions and the Injunction that Impairs Arrowood's Rights of Contribution, Subrogation and Reimbursement (Dk. 21945); Arrowood's Phase I Trial Brief Objecting to the Plan Proponents' First Amended Joint Plan of Reorganization (Dk. 21946); Arrowood's deposition Designations and Offer of Exhibits, and joins and incorporates by reference objections filed by General, Travelers, CNA and Maryland Casualty to the extent not conflicting.

Complaints against Montana alleging personal injuries and/or property damage arising from the vermiculite-related activities of the Debtors in Lincoln County, Montana, or alleging a failure to warn in connection with such activities	These exhibits were designated in mass without specification so it is impossible to identify them. Until the individual exhibits are identified Arrowood objects on grounds Hearsay (FRE 801, 802), Lack of Foundation (FRE 602), Improper Opinion (FRE 701).
Montana's proofs of claim against the Debtors	Hearsay (FRE 801, 802), Lack of Foundation (FRE 602)

Arrowood further objects to any exhibits that have not been individually designated and identified. Arrowood reserves the right to supplement and modify these objections.

CONCLUSION

WHEREFORE, for the reasons explained above, Arrowood respectfully objects to each of the exhibits identified above.

Dated: September 1, 2009
Wilmington, Delaware

By: /s/ Garvan F. McDaniel
Garvan F. McDaniel, Esq. (#4167)
BIFFERATO GENTILOTTI LLC
800 N. King Street, Plaza Level
Wilmington, DE 19801
Telephone: (302) 429-1900
Facsimile: (302) 429-8600
-and-

Carl J. Pernicone, Esq.
WILSON, ELSER, MOSKOWITZ
EDELMAN & DICKER, LLP
150 East 42nd Street
New York, NY 10017-5639
Telephone: (212) 490-3000
-and-

Tancred Schiavoni, Esq.
O'MELVENY & MYERS LLP
7 Times Square
New York, New York
Telephone: (212) 326-2267
*Counsel to Arrowood Indemnity
Company, f/k/a Royal Indemnity Company*